

ABM-2601018



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH, DEVELOPMENT AND ACQUISITION
1000 NAVY PENTAGON
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MAR 28 2001

MEMORANDUM FOR DISTRIBUTION

Subj: SECTION 806 OF THE STROM THURMOND NATIONAL DEFENSE
AUTHORIZATION ACT FOR FISCAL YEAR 1999

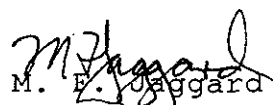
Encl: (1) USD(AT&L) memo dated November 20, 2000; same subject

Enclosure (1) is forwarded for information and action, as appropriate. It requires all DoD components to submit acquisition plans or strategies for purchases of conventional ammunition to the Assistant Secretary of the Army (Acquisition, Logistics and Technology), Deputy for Ammunition, for review and concurrence.

A draft Defense Federal Acquisition Regulation Supplement revision implementing the requirements of Section 806 and enclosure (1) is currently on hold pending review and approval in accordance with the President's regulatory review plan. In the interim, acquisition plans or strategies for all new conventional ammunition purchases, as defined in DoDD 5160.65, dated March 8, 1995, including new procurements of conventional ammunition covered by previously approved acquisition plans, must be submitted to the Army Single Manager for Conventional Ammunition at the following address:

Deputy for Ammunition
Assistant Secretary of the Army
(Acquisition, Logistics and Technology)
ATTN: SAAL-ZCA
5001 Eisenhower Avenue
Alexandria, VA 22333-0001
Phone: (703) 617-8001, DSN 767-8001

Please ensure that cognizant acquisition personnel comply with this statutory requirement.


M. E. Jaggard
CAPT, SC, USN
Executive Director (Acting)
Acquisition and Business
Management

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AUTHORIZATION ACT FOR FISCAL YEAR 1999

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THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

NOV 20 2000

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
ATTN: SERVICE ACQUISITION EXECUTIVES

Subject: Section 806 of the Strom Thurmond National Defense Authorization Act for
Fiscal Year 1999

Section 806 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 states that the official designated as the single manager for conventional ammunition (SMCA) in the Department of Defense shall limit a specific procurement of ammunition to sources within the national technology and industrial base in accordance with section 2304(c)(3) of title 10, United States Code (U.S.C.), if that manager determines that such limitation is necessary to maintain a facility, producer, manufacturer, or other supplier available for furnishing an essential item of ammunition or ammunition component in cases of national emergency or to achieve industrial mobilization. This encompasses all procurements for conventional ammunition including those Army procurements that the SMCA does not manage and procurements by other Military Departments and defense agencies. Section 806 specifies that the term conventional ammunition has the meaning given that term in DoDD 5160.65, dated March 8, 1995. Conventional ammunition as defined in DoDD 5160.65 includes missiles, torpedoes, naval mines, and other Service-unique ammunition. Section 806 does not change the criteria set out in 10 U.S.C. 2304, for using other than competitive procedures.

As a result of section 806, the attached policy direction issued by the Under Secretary of Defense (A&T) in his memorandum of February 24, 1995, on Armaments Cooperation and Mobilization Base, is no longer applicable to conventional ammunition, but it remains in effect for other procurements. Please note that requests to use other than competitive procedures or exclude sources for mobilization base reasons on contracts over \$50 million should be submitted to me through the Deputy Under Secretary of Defense (Industrial Affairs), since the position of the Assistant Secretary of Defense (Economic Security) has been abolished. Consistent with section 806, I am providing the following policy direction with respect to conventional ammunition.

The Assistant Secretary of the Army (Acquisition, Logistics and Technology), Deputy for Ammunition, will publish annually a Conventional Ammunition End Item/Component at Risk List. This list will identify ammunition or components that potentially qualify for restricted competition. DoD Handbook 5000.60-H, Assessing Defense Industrial Capabilities, provides guidance in preparing the list. While this list is indicative of ammunition or components for which restrictions may be determined to be applicable, the Deputy for Ammunition is not constrained to this list and may identify other conventional ammunition for which restrictions are necessary at any time.



ENCLOSURE(1)

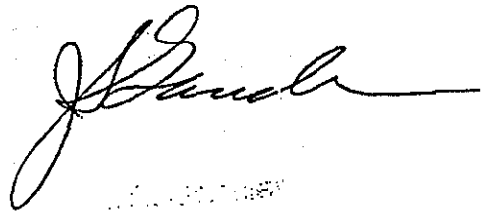
Acquisition plans or strategies for all procurements of conventional ammunition will be submitted to the Deputy for Ammunition for review and concurrence regardless of the Acquisition Category. New procurements of conventional ammunition covered by previously approved acquisition plans must also be submitted to the Deputy for Ammunition in order to comply with the requirements of section 806.

The Deputy for Ammunition will review the procurement approach to determine if the plan or strategy is consistent with retaining those national technology and industrial base capabilities required in accordance with section 806 and 10 U.S.C 2304(c)(3), considering all risk factors. Currently, a focus for these determinations is the shared industrial and technological base for fuzes/safe arm devices, explosives, propellants, explosive loading, and those conventional ammunition end item/component at risk list items where there is a common need.

If the Deputy for Ammunition concurs with the acquisition plan/strategy, he will provide his decision to that effect in writing to the Military Department or defense agency involved, and that Military Department or defense agency may proceed with the procurement. If the Deputy for Ammunition disagrees with the acquisition plan or strategy, the Military Department or defense agency involved will be notified. The Deputy for Ammunition, with assistance from the Army Office of the Executive Director for Conventional Ammunition, will attempt to resolve the disagreement with the Military Department. If no agreement is reached, the Assistant Secretary of the Army (Acquisition, Logistics and Technology) will make the final determination on the appropriate acquisition approach.

Justifications and Approvals (J&As) for section 806 related exceptions to competition will be processed following established regulations and policies. The Deputy Under Secretary of Defense (Industrial Affairs) will monitor the implementation and execution of the section 806 process.

I appreciate your cooperation with these policy changes.

A handwritten signature in black ink, appearing to read "J. Blum", with a long horizontal flourish extending to the right.

Attachment:
As stated



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



FEB 24 1995

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
ATTN: SERVICE ACQUISITION EXECUTIVES

Subject: Armaments Cooperation and Mobilization Base

I would like to promote consistency and fairness in dealing with our allies while assuring an adequate industrial base is maintained to support our defense needs. To promote these goals, I am implementing three changes to our process.

First, you may not use other than competitive procedures or exclude sources for mobilization base reasons on contracts over \$50 million unless I have given prior approval. Service Acquisition Executives (SAEs) will forward to me, through the Assistant Secretary of Defense (Economic Security), proposed determinations based on FAR 6.302-3(a)(2)(i) and FAR 6.202(a)(2) for procurements over \$50 million.

Second, SAEs will implement an approval process for assuring that determinations for contracts less than \$50 million awarded to develop or maintain the industrial mobilization base are made only in exceptional circumstances when there is a clearly demonstrated need for such a restriction.

Third, SAEs will debrief a foreign embassy if one of its country's companies is an unsuccessful offeror when the contract is awarded to other than the low responsible offeror. These debriefings should be provided on contracts of \$10 million or more, however, you may establish a lower threshold if appropriate.

I appreciate your cooperation with this policy direction.

Paul G. Kaminski
Paul G. Kaminski



ATTACHMENT